



Agenda Date: 12/20/23  
Agenda Item: 5B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF AQUA NEW )  
JERSEY, INC. FOR APPROVAL OF A DECREASE IN )  
ITS 2024 PURCHASED WASTEWATER TREATMENT )  
CLAUSE (“PSTAC”) RATE, TRUE-UP OF ITS 2021 AND )  
2022 PSTAC RATES, AND OTHER REQUIRED )  
APPROVALS )

ORDER APPROVING  
STIPULATION

DOCKET NO. WR23080576

**Parties of Record:**

**Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr LLP**, on behalf of the Petitioner, Aqua New Jersey, Inc.  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On August 22, 2023, pursuant to N.J.A.C. 14:9-7.1 to 7.7, Aqua New Jersey, Inc. (“Aqua” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking to modify its Purchased Wastewater Treatment Clause (“PSTAC”) rates for calendar year 2024 and to true up its 2021 and 2022 PSTAC rates (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by Board Staff (“Staff”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and Aqua (collectively, “Parties”) intended to resolve all issues related to the Petition.

**Background/Procedural History**

Aqua is a public utility of the State of New Jersey, with its principal business office at 10 Black Forest Road, Hamilton, New Jersey 08691, subject to the jurisdiction of the Board.

Aqua’s Walkkill Sewer Division (“Walkkill”), formerly the Walkkill Sewer Company, provides wastewater service to approximately 447 customers in a portion of the Township of Hardyston, County of Sussex. Walkkill purchases wastewater treatment services from the Sussex County Municipal Utilities Authority (“SCMUA”). SCMUA treats all of the wastewater collected by Walkkill pursuant to the “1982 Walkkill Sewer Company Service Contract” (as amended May 3, 1984) between the Company and SCMUA. In December of each year, SCMUA estimates the annual cost of wastewater to be treated for Walkkill and bills the Company in four (4) equal installments based on that estimate. To the extent that any credits are due to the Company, or additional payments are due to SCMUA (based on actual usage during the year), those amounts are

included in the estimate of costs for the upcoming fiscal year and reflected in the February payment.

The Company's Maxim Wastewater Division ("Maxim") provides wastewater service to approximately 2,617 customers in the Township of Howell, County of Monmouth. Maxim purchases wastewater treatment services from the Ocean County Utilities Authority ("OCUA"). The OCUA treats all of the wastewater collected by Maxim, which is a Bulk Rate customer of the OCUA. Bills are rendered by the OCUA and paid by the Company on a quarterly basis during the year. In January of each year, the OCUA (i) estimates the annual volume of wastewater to be treated for Maxim and bills the Company quarterly thereafter based on that estimate, and (ii) reconciles the actual volumes treated for Maxim in the prior calendar year and provides a charge or a credit, depending on Maxim's actual usage, on Maxim's first quarter bill in the following year.

Aqua also purchases wastewater treatment services from the Logan Township Municipal Utilities Authority ("LTMUA"). LTMUA treats all of the wastewater collected by the Company in its Woolwich service territory pursuant to the Sewer Service Agreement dated September 14, 2000 (as amended April 28, 2015) between the Company and LTMUA. LTMUA bills the Company a fixed monthly amount for each Equivalent Dwelling Unit ("EDU"), which is determined by the LTMUA rate schedule in effect. There are approximately 2,985 EDUs to which the LTMUA provides treatment.

Aqua's current PSTAC tariff was approved by Board Order dated December 2, 2020, which established the uniform PSTAC rate for calendar year 2021 and confirmed the PSTAC rates (without true-up) for 2019 and 2020.<sup>1</sup>

In connection with the Company's 2021 PSTAC filing, the Board approved the Company's uniform PSTAC rate for all customers effective January 1, 2022.<sup>2</sup>

### **Petition**

By the Petition, and based on information available at that time, the Company initially determined that current PSTAC rates would be subject to a decrease. However, after the Petition was filed and during the discovery period, Aqua received notice that the treatment rate to be charged by SCMUA for 2024 would result in an overall increase in the uniform PSTAC rate. Therefore, the Company modified its request to an increase in the PSTAC rate to recover \$37,508 in revenues based upon the following:

1. Projected SCMUA charges for 2024 of \$266,345 based on SCMUA rates effective for 2024;
2. Projected OCUA charges for 2024 of \$968,200 based on OCUA rates effective for 2024; and
3. Projected LTMUA charges for 2024 of \$1,286,905 based on LTMUA rates effective for 2024.

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<sup>1</sup> In re the Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Wastewater Services and Other Tariff Changes, BPU Docket No. WR20010056, Order dated December 2, 2020.

<sup>2</sup> In re the Petition of Aqua New Jersey, Inc. for Approval of a 2022 Purchased Wastewater Treatment Clause Rate and Other Required Approvals, BPU Docket No. WR21081056, Order dated December 15, 2021 ("Wastewater BRC Order").

A Board-appointed Regulatory Officer presided over virtual public comment hearings on November 27, 2023, at 4:30 p.m. and 5:30 p.m. No members of the public attended the hearings and the Board received no written comments on this matter.

### **STIPULATION**

Following a review of the Petition, conducting discovery, and discussions among the Parties, the Parties executed the Stipulation, which provides for the following:<sup>3</sup>

9. The Company's rates reflect the recovery of wastewater treatment charges imposed by the SCMUA, the OCUA, and the LTMUA. The current PSTAC tariff was approved by the Board in the Wastewater BRC Order, which established the uniform PSTAC rate for calendar year 2021 and confirmed the PSTAC rates (without true-up) for 2019 and 2020.
10. In this proceeding, the Parties have examined the Company's projected wastewater treatment expenses for 2024, as well as the costs of this proceeding, and have assessed any necessary true-up of the 2021 and 2022 PSTAC rates.
11. In its Petition, and based on information available at that time, the Company initially determined that current PSTAC rates would be subject to a decrease. However, after the Petition was filed and during the discovery period, Aqua received notice that the treatment rate to be charged by SCMUA for 2024 would result in an overall increase in the uniform PSTAC rate. Therefore, the Company is now seeking an increase in the PSTAC rate to recover \$37,508 in revenues. The \$37,508 PSTAC increase was calculated based on the following components:
  - a) projected SCMUA charges for 2024 of \$266,345 based on SCMUA rates effective for 2024 (See Exhibit A of the Stipulation, page 1);
  - b) projected OCUA charges for 2024 of \$968,200 based on OCUA rates effective for 2024 (See Exhibit A of the Stipulation, page 1);
  - c) projected LTMUA charges for 2024 of \$1,286,905 based on LTMUA rates effective for 2024 (See Exhibit A of the Stipulation, page 1);
  - d) the total costs of this proceeding are deemed to be \$8,000 (See Exhibit A of the Stipulation, page 2). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$4,000 (See Exhibit A of the Stipulation, page 4); and
  - e) the pro forma PSTAC revenues at present rates are projected to be \$2,399,917 (See Exhibit A of the Stipulation, page 4).
12. Based on the estimated costs for 2024, the over-recovery from revenues for 2021 and 2022, the interest due to customers for the net over-recoveries, and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates

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<sup>3</sup> Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of the Order. Paragraphs are numbered to coincide with the Stipulation.

on file with the Board should be increased as indicated on Exhibit A of the Stipulation, and as reflected on the tariff page attached to the Stipulation as Exhibit B, effective January 1, 2024. For the average residential customer, the PSTAC rate will increase from \$25.21 per thousand cubic feet of metered water to \$25.60 per thousand cubic feet of metered water, an increase of \$0.39 per thousand cubic feet of metered water, or approximately 1.56%. With respect to the total annual rate for wastewater services, for the average residential customer paying a fixed charge, their bill will increase from \$762.72 to approximately \$767.40, an increase of \$4.68, or approximately 0.61% annually.

13. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of treatment costs for calendar year 2024, which estimate has been used to determine the applicable PSTAC rate for 2024.
14. Consistent with the provisions of N.J.A.C. 14:9-7.1 to 7.7, the Parties agree that the Company will file with the Board a PSTAC petition to reconcile calendar year 2023 actual treatment costs with the estimated treatment costs (as reflected in the rates identified on Exhibit A of the Stipulation) for the same period. Additionally, the Company will include in its filing an estimate of treatment costs for calendar year 2025, which estimate will be used to determine the applicable PSTAC rate for 2025, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

### **DISCUSSIONS AND FINDINGS**

Having reviewed the record in this matter, including the Petition and the Stipulation, the Board **HEREBY FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board **FURTHER FINDS** the Stipulation to be reasonable, in the public interest in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if fully set forth at length herein.

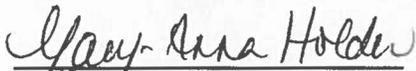
The Board **HEREBY DIRECTS** the Company to file tariff pages conforming to the terms and conditions of the Stipulation and this Order by January 1, 2024.

The effective date of this Order is December 27, 2023, with rates to become effective on and after January 1, 2024.

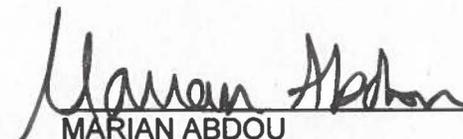
DATED: December 20, 2023

BOARD OF PUBLIC UTILITIES  
BY:

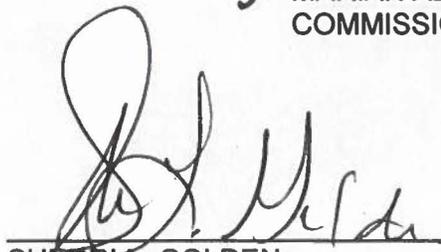
  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

ATTEST:

  
SHERRIL L. GOLDEN  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC. FOR APPROVAL OF A DECREASE IN ITS  
2024 PURCHASED WASTEWATER TREATMENT CLAUSE ("PSTAC") RATE, TRUE-UP OF ITS 2021 AND 2022  
PSTAC RATES, AND OTHER REQUIRED APPROVALS

DOCKET NO. WR23080576  
SERVICE LIST

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December 4, 2023

**VIA ELECTRONIC MAIL and E-FILING**

Honorable Sherri Golden  
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**RE: In the Matter of the Petition of Aqua New Jersey, Inc.'s Petition  
for 2024 PSTAC Rate and True-Up for 2021 and 2022  
PSTAC Rates  
BPU Docket No.: WR23080576**

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Dear Secretary Golden:

On behalf of Petitioner, Aqua New Jersey, Inc., attached for filing please find the Stipulation of Settlement, in the above-referenced matter, for the Board's review and approval.

Sincerely,



Courtney L. Schultz

CLS/CJ  
Enclosures

cc: Attached Service List (w/encls., via email only)

## **SERVICE LIST**

I/M/O Aqua New Jersey Inc.'s Petition for  
2024 PSTAC Rate & True-up for 2021 and 2022 PSTAC Rates  
BPU Docket No. WR23080576

### **BPU**

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

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<b>IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC., FOR APPROVAL OF A DECREASE IN ITS 2024 PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE ("PSTAC") RATE, TRUE-UP OF ITS 2021 AND 2022 PSTAC RATES, AND OTHER REQUIRED APPROVALS</b>	: : : : <b>STIPULATION OF SETTLEMENT</b> : : <b>BPU DOCKET NO. WR23080576</b> : : : : :
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**APPEARANCES:**

Courtney L. Schultz, Esq., and Kruti B. Patel, Esq., Saul Ewing LLP, on behalf of the Petitioner, Aqua New Jersey, Inc.

Brian Lipman, Director, and Susan E. McClure, Esq., Deputy Rate Counsel, on behalf of the Division of Rate Counsel

Meliha Arnautovic, Deputy Attorney General, (Matthew J. Platkin, Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

**TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:**

The parties that have participated in this proceeding are Aqua New Jersey, Inc. ("Aqua," "Company," or "Petitioner"), the New Jersey Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Staff") (collectively, "Parties"). There were no intervenors in this proceeding. As a result of an analysis of Aqua's petition and exhibits, discovery conducted by Rate Counsel and Staff, conferences, and negotiations, the Parties to this proceeding have come to the within agreement. The Parties hereto agree and stipulate as follows:

## **I. Background & Procedural History**

1. Petitioner is a public utility of the State of New Jersey, with its principal business office at 10 Black Forest Road, Hamilton, New Jersey 08691, subject to the jurisdiction of the New Jersey Board of Public Utilities (“Board” or “BPU”).

2. Petitioner’s Wallkill Sewer Division (“Wallkill”), formerly the Wallkill Sewer Company, provides wastewater service to approximately 447 customers in a portion of the Township of Hardyston, County of Sussex. Wallkill purchases wastewater treatment services from the Sussex County Municipal Utilities Authority (“SCMUA”). SCMUA treats all of the wastewater collected by Wallkill pursuant to the “1982 Wallkill Sewer Company Service Contract” (as amended May 3, 1984) between the Company and SCMUA. In December of each year, SCMUA estimates the annual cost of wastewater to be treated for Wallkill and bills the Company in four (4) equal installments based on that estimate. To the extent that any credits are due the Company, or additional payments are due SCMUA (based on actual usage during the year), those amounts are included in the estimate of costs for the upcoming fiscal year and reflected in the February payment.

3. Petitioner’s Maxim Wastewater Division (“Maxim”) provides wastewater service to approximately 2,617 customers in the Township of Howell, County of Monmouth. Maxim purchases wastewater treatment services from the Ocean County Utilities Authority (“OCUA”). The OCUA treats all of the wastewater collected by Maxim, which is a Bulk Rate customer of the OCUA. Bills are rendered by the OCUA and paid by the Company on a quarterly basis during the year. In January of each year, the OCUA (i) estimates the annual volume of wastewater to be treated for Maxim and bills the Company quarterly thereafter based on that estimate, and (ii)

reconciles the actual volumes treated for Maxim in the prior calendar year and provides a charge or a credit, depending on Maxim's actual usage, on Maxim's first quarter bill in the following year.

4. Petitioner also purchases wastewater treatment services from the Logan Township Municipal Utilities Authority ("LTMUA"). LTMUA treats all of the wastewater collected by the Company in its Woolwich service territory pursuant to the Sewer Service Agreement dated September 14, 2000 (as amended April 28, 2015) between the Company and LTMUA. LTMUA bills the Company a fixed monthly amount for each Equivalent Dwelling Unit ("EDU"), which is determined by the LTMUA rate schedule in effect. There are approximately 2,985 EDUs for which the LTMUA provides treatment.<sup>1</sup>

5. Prior to January 1, 2021, the Company's rate schedules included a separate Purchased Wastewater Treatment Adjustment Clause ("PSTAC") for Wallkill and Maxim customers, and the treatment costs for LTMUA were included in the fixed monthly service charge to customers serviced by the Woolwich, California Village, Hanover Village and Spartan Village systems. However, in connection with the Company's 2020 Wastewater Base Rate Case, BPU Docket No. WR20010056, the Board approved the Company's request to establish a uniform PSTAC to include all of its purchased water treatment costs and to charge those costs to all customers, which uniform rate was effective January 1, 2021.<sup>2</sup> Then, in connection with the Company's 2021 PSTAC filing, the Board approved the Company's uniform PSTAC rate for all customers effective January 1, 2022.<sup>3</sup> Those rates are set forth in the Company's currently

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<sup>1</sup> LTMUA's rate schedule refers to this as a "connection unit."

<sup>2</sup> *I/M/O Aqua New Jersey, Inc. for Approval of an Increase in Rates for Wastewater Service and Other Tariff Changes*, BPU Docket No. WR20010056, Order Adopting Initial Decision Settlement ("Wastewater BRC Order"), dated December 2, 2020, at 5-6 and Exhibit C thereto.

<sup>3</sup> *I/M/O Aqua New Jersey, Inc. for Approval of a 2022 Purchased Wastewater Treatment Clause Rate and Other Required Approvals*, BPU Docket No. WR21081056, Order Adopting Initial Decision Settlement ("2021 Uniform

effective tariff at Rate Schedule No. 2 (which was attached to the petition as Exhibit B).

6. On August 22, 2023, pursuant to N.J.A.C. 14:9-7.1 to 7.7, Aqua filed the above-captioned petition with the Board to set prospective rates for calendar year 2024 as required by N.J.A.C. 14:9-7.1(d)(2) and 14:9-7.7 (“Petition”). By the Petition, Aqua also seeks to true up its 2021 and 2022 PSTAC revenues.<sup>4</sup>

7. The matter was retained by the Board for review and disposition. Virtual and telephonic public comment hearings were held on November 27, 2023, at 4:30 p.m. and 5:30 p.m., and were presided over by a Board-appointed legal specialist. No members of the public appeared at the public comment hearings and no written comments were received by the Board.

## II. Settlement Provisions

8. For the reasons set forth in the following paragraphs, the Parties agree that the record herein supports the findings and conclusions set forth below.

9. Petitioner’s rates reflect the recovery of wastewater treatment charges imposed by the SCMUA, the OCUA, and the LTMUA. The current PSTAC tariff was approved by the Board in the Wastewater BRC Order, which established the uniform PSTAC rate for calendar year 2021 and confirmed the PSTAC rates (without true-up) for 2019 and 2020.

10. In this proceeding, the Parties have examined the Company’s projected wastewater treatment expenses for 2024, as well as the costs of this proceeding, and have assessed any necessary true-up of the 2021 and 2022 PSTAC rates.

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PSTAC Order”), dated December 15, 2021. A copy of the 2021 Uniform PSTAC Order is attached hereto as Exhibit A.

<sup>4</sup> See *I/M/O Petition of Aqua New Jersey, Inc. For Approval To Change the Levels of Its Purchased Sewerage Treatment Adjustment Clause (“PSTAC”) True-Up Filing to 2023 and for Approval to Continue Current Rates*, BPU Docket No. WR22090573, Letter From Petitioner’s Counsel (September 15, 2022) and Rate Counsel’s Letter of No Objection (October 14, 2022), true and correct copies of which were attached to the Petition as Exhibit C.

11. In its Petition, and based on information available at that time, the Company initially determined that current PSTAC rates would be subject to a decrease. However, after the Petition was filed and during the discovery period, Aqua received notice that the treatment rate to be charged by SCMUA for 2024 would result in an overall increase in the uniform PSTAC rate. Therefore, the Company is now seeking an increase in the PSTAC rate to recover \$37,508 in revenues. The \$37,508 PSTAC increase was calculated based on the following components:

- a) projected SCMUA charges for 2024 of \$266,345 based on SCMUA rates effective for 2024 (See Exhibit A, page 1);
- b) projected OCUA charges for 2024 of \$968,200 based on OCUA rates effective for 2024 (See Exhibit A, page 1);
- c) projected LTMUA charges for 2024 of \$1,286,905 based on LTMUA rates effective for 2024 (See Exhibit A, page 1);
- d) the total costs of this proceeding are deemed to be \$8,000 (See Exhibit A, page 2). These costs will be shared 50/50 between ratepayers and shareholders, resulting in a cost to customers of \$4,000 (See Exhibit A, page 4); and
- e) the pro forma PSTAC revenues at present rates are projected to be \$2,399,917 (See Exhibit A, page 4).

12. Based on the estimated costs for 2024, the over-recovery from revenues for 2021 and 2022, the interest due to customers for the net over-recoveries, and the costs of this proceeding, the Parties have agreed that Petitioner's current PSTAC rates on file with the Board should be increased as indicated on Exhibit A, and as reflected on the tariff page attached hereto as Exhibit B, effective January 1, 2024. For the average residential customer, the PSTAC rate will increase

from \$25.21 per thousand cubic feet of metered water to \$25.60 per thousand cubic feet of metered water, an increase of \$0.39 per thousand cubic feet of metered water, or approximately 1.56%. With respect to the total annual rate for wastewater services, for the average residential customer paying a fixed charge, their bill will increase from \$762.72 to approximately \$767.40, an increase of \$4.68, or approximately 0.61% annually.

13. As required in N.J.A.C. 14:9-7.7, the Company has included in its filing an estimate of treatment costs for calendar year 2024, which estimate has been used to determine the applicable PSTAC rate for 2024.

14. Consistent with the provisions of N.J.A.C. 14:9-7.1 to 7.7, the Parties agree that the Company will file with the Board a PSTAC petition to reconcile calendar year 2023 actual treatment costs with the estimated treatment costs (as reflected in the rates identified on Exhibit A) for the same period. Additionally, the Company will include in its filing an estimate of treatment costs for calendar year 2025, which estimate will be used to determine the applicable PSTAC rate for 2025, as required in N.J.A.C. 14:9-7.1(d) and 14:9-7.7.

15. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

16. This Stipulation is the product of negotiations by the Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by

the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein.

17. The Parties agree that each term within this Stipulation reflects a mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation.

18. The Parties further agree that with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Parties shall be prohibited from, or prejudiced in, arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposedly underlying any agreement provided herein in total or by specific item. The Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

19. This Stipulation may be executed in as many counterparts as there are Parties to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

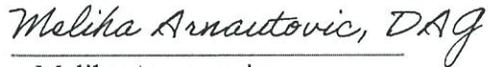
AQUA NEW JERSEY, INC.

12/4/23  
Date

By:   
Saul Ewing LLP  
Courtney L. Schultz, Esq.  
Kruti B. Patel, Esq.  
Attorneys for Petitioner

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the  
New Jersey Board of Public Utilities

11/28/23  
Date

By:   
Meliha Arnautovic  
Deputy Attorney General

BRIAN O. LIPMAN, ESQ.  
DIRECTOR – RATE COUNSEL

12/4/2023  
Date

By:   
Susan E. McClure, Esq.  
Deputy Rate Counsel

# **EXHIBIT A**

Updated, October 2023

**Aqua New Jersey, Inc.**  
**PSTAC Reconciliation/True-Up**  
**For Calendar year ending December 31, 2022**

**A.) 2024 Projected Treatment Expenses**

<u>Quarter</u>	<u>Wallkill - SCUMA</u>	<u>Maxim - OCUA</u>	<u>Loqan</u>	<u>Total</u>	<u>Reference</u>
Q1	66,586.25	242,050.00	317,023.00		Exhibit B
Q2	66,586.25	242,050.00	320,159.00		Exhibit B
Q3	66,586.25	242,050.00	323,294.00		Exhibit B
Q4	66,586.25	242,050.00	326,429.00		Exhibit B
<b>Total 2024 Projected Treatment Expense</b>	<b>266,345.00</b>	<b>968,200.00</b>	<b>1,286,905.00</b>	<b>2,521,450.00</b>	Lines 8.) thru 11.) - 12.)
	(based on 2024 rates)	(based on 2024 letter)	(based on 2024 budget)		

**B. (1) 2021 Actual Treatment Expenses**

<u>Quarter</u>	<u>Wallkill - SCUMA</u>	<u>Maxim - OCUA</u>	<u>Loqan</u>	<u>Total</u>	<u>Reference</u>
Q1	36,222.75	237,291.25	280,208.72		Exhibit B
Q2	36,222.75	237,291.25	279,941.25		Exhibit B
Q3	36,222.75	237,291.25	282,644.33		Exhibit B
Q4	36,222.75	237,291.25	286,186.43		Exhibit B
True-Up Paid in 1Q22	48,400.00	(57,757.70)			Exhibit B
<b>Total 2021 Actual Treatment Expense</b>	<b>193,291.00</b>	<b>891,407.30</b>	<b>1,128,980.73</b>	<b>2,213,679.03</b>	Lines 8.) thru 11.) - 12.)

**B. (2) 2022 Actual Treatment Expenses**

<u>Quarter</u>	<u>Wallkill - SCUMA</u>	<u>Maxim - OCUA</u>	<u>Loqan</u>	<u>Total</u>	<u>Reference</u>
Q1	41,632.75	237,291.25	289,694.65		Exhibit B
Q2	41,632.75	237,291.25	292,122.77		Exhibit B
Q3	41,632.75	237,291.25	293,302.75		Exhibit B
Q4	41,632.75	237,291.25	295,784.05		Exhibit B
True-Up Paid in 1Q23	33,240.00	(118,342.70)			Exhibit B
<b>Total 2022 Actual Treatment Expense</b>	<b>199,771.00</b>	<b>830,822.30</b>	<b>1,170,904.22</b>	<b>2,201,497.52</b>	Lines 8.) thru 11.) - 12.)

**Aqua New Jersey, Inc.**  
**PSTAC Reconciliation/True-Up**  
**For Calendar year ending December 31, 2022**

**C.) Cost of Filing Application:**

	<u>Amount</u>
Legal	\$ 7,500
Notification & Other	\$ 500
Transcripts	\$ -
Total	<u>\$ 8,000</u>

Aqua New Jersey, Inc.  
PSTAC Reconciliation/True-Up  
For Calendar year ending December 31, 2022

D.) PSTAC Revenue at Present Rates (2023):

<u>Class</u>	<u>Meter Size</u>	<u>Customers 2024 BOY</u>	<u>2023 Current Rate</u>	<u>PSTAC Revenue at Present Rates</u>	<u>% of Revenue</u>
Residential - Single Family		6,658	\$25.21	\$2,014,178.16	83.93%
Commercial, Industrial, School, Business, & Religious	5/8"	16	\$25.21	\$4,840.32	0.20%
Commercial, Industrial, School, Business, & Religious	3/4"	31	\$30.25	\$11,253.00	0.47%
Commercial, Industrial, School, Business, & Religious	1"	33	\$60.50	\$23,958.00	1.00%
Commercial, Industrial, School, Business, & Religious	1.5"	1	\$126.05	\$1,512.60	0.06%
Commercial, Industrial, School, Business, & Religious	2"	43	\$186.55	\$96,259.80	4.01%
Commercial, Industrial, School, Business, & Religious	3"	1	\$378.15	\$4,537.80	0.19%
Commercial, Industrial, School, Business, & Religious	4"	3	\$504.20	\$18,151.20	0.76%
Commercial, Industrial, School, Business, & Religious	8"	1	\$2,016.80	\$24,201.60	1.01%
Oakwood Village Apartment Complex		1	\$15,428.52	\$185,142.24	7.71%
Bear Brook Clubhouse		1	\$564.70	\$6,776.40	0.28%
Stanton Ridge Clubhouse		1	\$143.70	\$1,724.40	0.07%
Maxim Laundromat		1	\$615.12	\$7,381.44	0.31%
Total:				<u>\$2,399,917</u>	
Total PSTAC Revenue at Present Rates =>					

E.) 2021/2022 Reconciliation - Over/(Under) Recovery:

			<u>Reference</u>
E.1)	Actual Revenue 2021	\$2,197,725	Sewer Revenue
	Prospective Revenue Authorized 2021	\$2,196,000	Rate Order
	Over/(Under) Recovery 2021	\$1,725	
E.2)	Actual Expense 2021	\$2,213,679	B.)
	Projected Expense 2021	\$2,196,000	Rate Order
	Over/(Under) Recovery 2021	(\$17,679)	
	<u>Total Over/(Under) Recovery 2021</u>	<u>(\$15,954)</u>	
E.3)	Actual Revenue 2022	2,300,624	Sewer Revenue
	Prospective Revenue Authorized 2022	\$2,196,000	Rate Order
	Over/(Under) Recovery 2022	\$104,624	
E.4)	Actual Expense 2022	\$2,201,498	B.)
	Projected Expense 2022	\$2,196,000	Rate Order
	Over/(Under) Recovery 2022	(\$5,498)	
	<u>Total Over/(Under) Recovery 2022</u>	<u>\$99,126</u>	

**Aqua New Jersey, Inc.**  
**PSTAC Reconciliation/True-Up**  
**For Calendar year ending December 31, 2022**

**F.) PSTAC Calculation:**

	<u>Amount</u>	<u>Reference</u>
1.) Projected 2024 Billings	2,521,450	A.)
2.) (Over)/Under Recovery 2021 and 2022	(83,173)	E.)
3.) Interest on (Over)/Under Recovery	(4,852)	
4.) Cost of Filing Application (\$8,000 x 50%)	\$4,000	C.)
5.) 2024 PSTAC Revenue Requirement	<u>\$2,437,425</u>	Sum Lines 1 thru 3
6.) PSTAC Revenue at Present (2023) Rates	<u>\$2,399,917</u>	D.)
7.) Subtotal PSTAC Request - Annualized	<u>\$37,508</u>	Line 5 minus Line 6
% change	1.56%	

**Aqua New Jersey, Inc.**  
**PSTAC Reconciliation/True-Up**  
**For Calendar year ending December 31, 2022**

\$0

**H.) Proof of Revenue:**

<u>Class</u>	<u>Meter Size</u>	<u>Customers 2024 BOY</u>	<u>New Rate</u>	<u>Prospective 2024 Revenue</u>
Residential - Single Family		6,658	\$25.60	\$2,045,658
Commercial, Industrial, School, Business, & Religious	5/8"	16	\$25.60	\$4,916
Commercial, Industrial, School, Business, & Religious	3/4"	31	\$30.72	\$11,429
Commercial, Industrial, School, Business, & Religious	1"	33	\$61.45	\$24,332
Commercial, Industrial, School, Business, & Religious	1.5"	1	\$128.02	\$1,536
Commercial, Industrial, School, Business, & Religious	2"	43	\$189.47	\$97,764
Commercial, Industrial, School, Business, & Religious	3"	1	\$384.06	\$4,609
Commercial, Industrial, School, Business, & Religious	4"	3	\$512.08	\$18,435
Commercial, Industrial, School, Business, & Religious	8"	1	\$2,048.32	\$24,580
Oakwood Village Apartment Complex		1	\$15,669.65	\$188,036
Bear Brook Clubhouse		1	\$573.53	\$6,882
Stanton Ridge Clubhouse		1	\$145.95	\$1,751
Maxim Laundromat		1	\$624.73	\$7,497
<b>Total:</b>				<b><u><u>\$2,437,425</u></u></b>

# **EXHIBIT B**

Updated, October 2023

**RATE SCHEDULE NO. 2**  
**PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE**

**APPLICABILITY:**

In addition to the General Sewer Service Charge set forth in Rate Schedule No. 1, the following Purchased Sewerage Treatment Adjustment Clause rates, in accordance with N.J.A.C. 14:9-8.1 et seq., are applicable to the use of sewer service for all Customers served by the Company.

**RATE:**

All wastewater service customers shall pay a fixed charge as indicated below.

**FIXED MONTHLY CHARGE FOR ALL WASTEWATER CUSTOMERS**

<b>Customer Type</b>	<b>PSTAC Rate</b>
Residential, Single Family	\$ 25.60
Non-Residential and Multi-Family	
Water Meter Size – 5/8"	25.60
Water Meter Size – 3/4"	30.72
Water Meter Size – 1"	61.45
Water Meter Size – 1.5"	128.02
Water Meter Size – 2"	189.47
Water Meter Size – 3"	384.06
Water Meter Size – 4"	512.08
Water Meter Size – 8"	2,048.32
Oakwood Village Apartment Complex	15,669.65
Bear Brook Clubhouse	573.53
Stanton Ridge Clubhouse	145.95
Maxim Laundromat	624.73

\*The above charges are based upon the Board of Public Utilities' ("Board") estimate of Aqua New Jersey, Inc.'s 12-month average cost of purchased sewerage treatment from the Logan Township Municipal Utilities Authority, Ocean County Utilities Authority, and Sussex County Municipal Utilities Authority. The estimated 12-month average cost shall be periodically re-determined by the Board in accordance with true-up procedures set forth in N.J.A.C. 14:9-8.1 et seq.

**TERMS OF PAYMENT:**

PAYMENT FOR ALL BILLS RENDERED IS DUE FIFTEEN (15) DAYS AFTER THE ORIGINAL POSTMARK DATE OF THE BILL. Bills for sewer service will be rendered at the close of each monthly billing period.

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Issued:  
By: Lawrence R. Carson, President  
10 Black Forest Road  
Hamilton, NJ 08691

Effective Date: January 1, 2024

Filed pursuant to decision and order of the Board of Public Utilities dated \_\_\_\_\_, in Docket No. WR230805768.